

# *Financial Section*



*Bronze of George V. Brown*

***Independent Auditors' Report  
General Purpose Financial Statements  
Combining and Individual Fund Statements  
and Account Group Schedules***

# **Deloitte & Touche LLP**

125 Summer Street  
Boston, Massachusetts 02110-1617

Telephone: (617) 261-8000  
Facsimile: (617) 261-8111

## **Independent Auditors' Report**

Mr. William Kilmartin, Comptroller  
The Commonwealth of Massachusetts

We have audited the accompanying general purpose financial statements of the Commonwealth of Massachusetts as of June 30, 1996, and for the year then ended, listed in the foregoing table of contents. These general purpose financial statements are the responsibility of the management of the Commonwealth of Massachusetts. Our responsibility is to express an opinion on these general purpose financial statements based on our audit. We did not audit the financial statements of the institutions of higher education and their blended component units listed in Note I which reflect 81 percent of the total assets and 82 percent of the total revenues of the University and College Fund Type. We did not audit the financial statements of the Pension Reserves Investment Trust and Massachusetts State Teachers' and Employees' Retirement Systems Trust which are the investment vehicles of the Commonwealth of Massachusetts' Pension Trust Funds, the financial statements which reflect 71 percent of the total assets and 48 percent of the total revenues of the Fiduciary Fund Type. We did not audit the financial statements of the discretely presented component units listed in Note I which reflect 87 percent of the total assets and 87 percent of the total revenues of the discretely presented component units. Those financial statements were audited by other auditors whose reports thereon have been furnished to us, and our opinion, insofar as it relates to the amounts for the entities not audited by us included for the University and College Fund Type, Fiduciary Fund Type and the discretely presented component units column referred to above, is based solely on the reports of the other auditors.

We conducted our audit in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general purpose financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall general purpose financial statement presentation. We believe that our audit and the reports of the other auditors provide a reasonable basis for our opinion.

In our opinion, based upon our audit and the reports of the other auditors, such general purpose financial statements referred to above present fairly, in all material respects, the financial position of the Commonwealth of Massachusetts as of June 30, 1996, and the results of its operations and the cash flows of its Internal Service Funds, Nonexpendable Trust Fund and discretely presented component units for the year then ended in conformity with generally accepted accounting principles.

As discussed in Note 16 to the financial statements, the Commonwealth of Massachusetts financial reporting entity has changed as a result of adding two component units to the reporting entity. In addition, the Commonwealth of Massachusetts adopted Governmental Accounting Standards Board (GASB) Statement No. 24, "Accounting and Financial Reporting for Certain Grants and Other Financial Assistance," GASB Statement No. 25, "Financial Reporting for Defined Benefit Pension Plans and Note Disclosures for Defined Contribution Plans," and GASB Statement No. 27, "Accounting for Pensions by State and Local Governmental Employers."

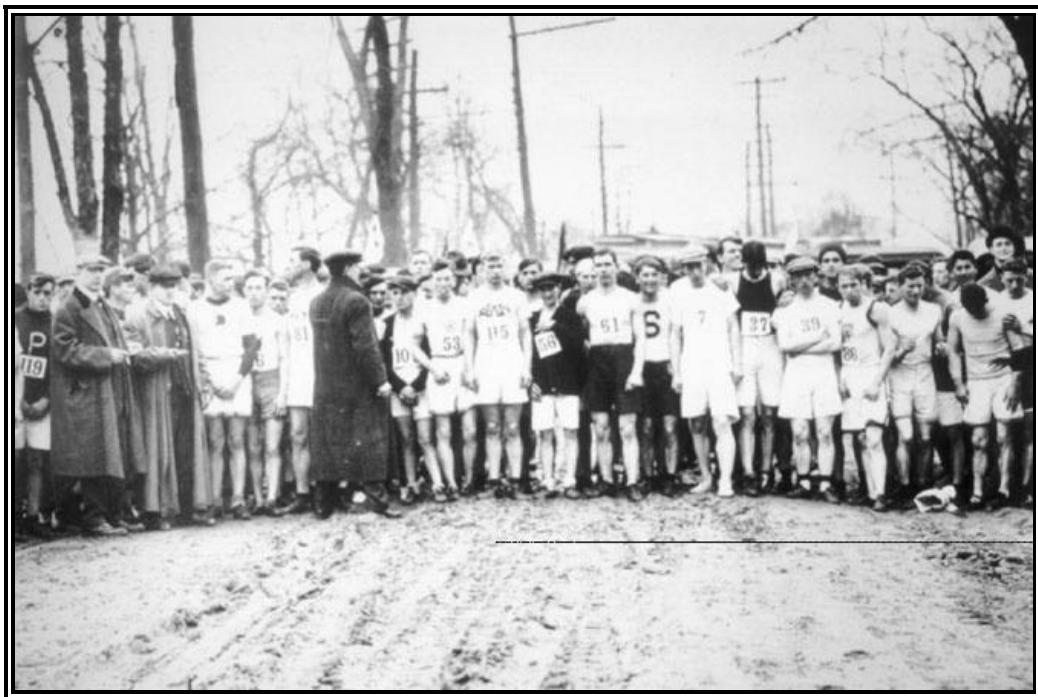
Our audit was conducted for the purpose of forming an opinion on the general purpose financial statements taken as a whole. The combining and individual fund statements and account group schedules, listed in the table of contents, are presented for the purpose of additional analysis and are not a required part of the general purpose financial statements of the Commonwealth of Massachusetts. These statements and schedules are also the responsibility of the management of the Commonwealth of Massachusetts. Such additional information has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, based on our audit and the reports of other auditors, in our opinion, is fairly stated in all material respects in relation to the general purpose financial statements taken as a whole.

We did not audit the data included in the introductory and statistical sections of this report and, accordingly, we express no opinion on such data.

**Deloitte & Touche LLP**

**December 20, 1996**

# *General Purpose Financial Statements*



*Start of the 1912 Marathon (photography courtesy of the Boston Public Library)*

**All Fund Types, Account Groups And Discretely Presented Component Units**  
**Combined Balance Sheet**

June 30, 1996  
 (Amounts in thousands)

	Primary			
	Governmental Fund Types			Proprietary Fund Types
	General	Special Revenue	Capital Projects	
<b>ASSETS AND OTHER DEBITS</b>				
Cash and short-term investments.....	\$ 828,646	\$ 755,558	\$ -	\$ -
Cash with fiscal agent.....	657	21,914	-	-
Deposits.....	-	-	-	-
Investments.....	-	-	-	-
Restricted investments.....	-	-	-	187,929
Investments of deferred compensation plan.....	-	-	-	-
Annuity contracts.....	-	-	-	-
Assets held in trust.....	-	-	-	18,789
Receivables, net of allowance for uncollectibles:				
Taxes.....	688,376	486,905	-	-
Due from federal government.....	543,008	184,592	118,823	-
Loans.....	-	-	-	-
Other receivables.....	162,521	122,927	1,046	-
Due from cities and towns.....	222,214	627	-	-
Due from primary government.....	-	-	-	-
Due from other funds.....	621,517	-	27,059	33,255
Inventory.....	-	112,558	-	-
Fixed assets.....	-	-	-	-
Other assets.....	-	-	-	-
Amounts to be provided for retirement of general long-term obligations.....	-	-	-	-
Total assets and other debits.....	\$ 3,066,939	\$ 1,685,081	\$ 146,928	\$ 239,973
<b>LIABILITIES, FUND EQUITY AND OTHER CREDITS</b>				
Liabilities:				
Accounts payable.....	\$ 994,290	\$ 452,442	\$ 293,082	\$ -
Accrued payroll.....	31,965	8,979	1,306	-
Compensated absences.....	96,124	57,163	4,376	-
Tax refunds and abatements payable.....	407,380	271,068	-	-
Due to cities and towns.....	-	-	-	-
Due to primary government.....	-	-	-	-
Due to other funds.....	-	563,095	69,068	-
Due to component units.....	57,767	237,518	637	-
Due to federal government.....	17,640	534	761	-
Deferred revenue.....	107,773	204,482	95	-
Prizes payable.....	-	-	-	-
Deferred compensation benefits payable.....	-	-	-	-
Agency liabilities.....	-	-	-	-
Claims and judgments.....	45,788	7,317	-	391,053
Deposits and unearned revenue.....	-	-	-	-
Other accrued liabilities.....	-	83,627	-	-
Capital leases.....	-	-	-	-
Bonds, notes payable and certificates of participation.....	240,000	-	-	-
School construction grants.....	-	-	-	-
Unfunded pension costs.....	-	-	-	-
Total liabilities.....	1,998,727	1,886,225	369,325	391,053
Fund equity and other credits:				
Investment in general fixed assets.....	-	-	-	-
Contributed capital.....	-	-	-	-
Retained earnings:				
Reserved for investment programs.....	-	-	-	-
Reserved for bond retirement.....	-	-	-	-
Reserved for central artery workers compensation.....	-	-	-	129,808
Unreserved.....	-	-	-	(280,888)
Fund balances (deficit):				
Reserved for continuing appropriations.....	169,822	70,951	-	-
Reserved for tax reduction.....	231,722	-	-	-
Reserved for commonwealth stabilization.....	543,303	-	-	-
Reserved for employees' pension benefits.....	-	-	-	-
Reserved for unemployment benefits.....	-	-	-	-
Reserved for retirement of indebtedness.....	657	21,914	-	-
Restricted.....	-	-	-	-
Unexpended plant funds.....	-	-	-	-
Renewals and replacements.....	-	-	-	-
Net investment in plant.....	-	-	-	-
Reserved for nonexpendable trusts.....	-	-	-	-
Unreserved and undesignated.....	122,708	(294,009)	(222,397)	-
Total fund equity (deficit) and other credits.....	1,068,212	(201,144)	(222,397)	(151,080)
Total liabilities, fund equity and other credits.....	\$ 3,066,939	\$ 1,685,081	\$ 146,928	\$ 239,973

See notes to general purpose financial statements.

Government									
Fiduciary Fund Types		University and College Fund Type	Account Groups		Totals (Memorandum Only)				
Trust and Agency		University and Colleges	General Fixed Assets	General Long-term Obligations	1996		1995		Component Units
\$	1,774,156	\$ 129,651	\$ -	\$ -	\$ 3,488,011	\$ 2,603,623	\$ 548,184	\$ -	
-	761,987	107,862	-	-	22,571	16,436	-	-	
16,205,800	279,695	-	-	-	869,849	458,369	-	-	
-	-	-	-	-	16,485,495	13,777,564	284,045	287,559	
1,480,844	-	-	-	-	187,929	162,391	-	-	
1,164,223	-	-	-	-	1,480,844	1,215,348	13,272	-	
1,683,251	-	-	-	-	1,164,223	1,097,652	-	-	
-	-	-	-	-	1,702,040	1,691,484	5,151	-	
331,546	-	-	-	-	1,506,827	1,463,447	-	-	
1,623	24,535	-	-	-	872,581	777,246	33,476	-	
3,330	47,332	-	-	-	50,662	55,331	806,122	-	
203,201	117,479	-	-	-	607,174	676,639	72,600	-	
-	-	-	-	-	222,841	215,868	976	-	
-	-	-	-	-	-	-	295,922	-	
-	42,526	-	-	-	724,357	331,945	-	-	
-	15,494	-	-	-	128,052	126,089	42,029	-	
-	2,228,523	3,317,616	-	-	5,546,139	5,280,958	6,334,803	-	
-	39,440	-	-	-	39,440	24,069	129,318	-	
-	-	-	-	13,362,296	13,362,296	14,885,385	-	-	
<b>\$ 23,609,961</b>	<b>\$ 3,032,537</b>	<b>\$ 3,317,616</b>	<b>\$ 13,362,296</b>		<b>\$ 48,461,331</b>	<b>\$ 44,859,844</b>	<b>\$ 8,853,457</b>		
\$ 241,969	\$ 52,030	\$ -	\$ -	\$ -	\$ 2,033,813	\$ 1,889,480	\$ 87,666	\$ -	
280	55,604	-	-	-	98,134	98,355	29,046	-	
240	115,969	-	-	97,225	371,097	329,420	9,063	-	
7,111	-	-	-	-	685,559	576,468	-	-	
18,147	-	-	-	-	18,147	14,292	115	-	
-	-	-	-	-	-	-	100,000	-	
7,932	84,262	-	-	-	724,357	331,945	-	-	
-	-	-	-	-	295,922	366,777	-	-	
51	-	-	-	-	18,986	33,384	23	-	
33,303	11,296	-	-	-	356,949	334,191	79,497	-	
1,164,223	-	-	-	1,632	1,165,855	1,097,652	-	-	
1,480,844	-	-	-	-	1,480,844	1,215,348	13,217	-	
3,534,108	-	-	-	-	3,534,108	3,201,561	5,151	-	
-	36,622	-	85,040	-	565,820	600,358	2,570	-	
-	8,523	-	-	-	8,523	10,515	-	-	
3,833	70,649	-	-	-	158,109	150,199	250,173	-	
-	43,146	-	59,022	-	102,168	71,679	181,882	-	
-	274,167	-	10,065,578	-	10,579,745	10,163,716	4,288,214	-	
-	-	-	3,053,799	-	3,053,799	2,616,029	-	-	
-	-	-	-	-	-	2,434,976	-	-	
<b>6,492,041</b>	<b>752,268</b>	<b>-</b>	<b>13,362,296</b>		<b>25,251,935</b>	<b>25,536,345</b>	<b>5,046,617</b>		
-	-	3,317,616	-	-	3,317,616	3,202,528	-	-	
-	-	-	-	-	-	-	3,505,199	-	
-	-	-	-	-	-	-	304,318	-	
-	-	-	-	-	129,808	97,391	113	-	
-	-	-	-	-	(280,888)	(320,810)	(2,790)	-	
-	-	-	-	-	240,773	111,685	-	-	
-	-	-	-	-	231,722	-	-	-	
-	-	-	-	-	543,303	425,405	-	-	
15,956,271	-	-	-	-	15,956,271	13,483,238	-	-	
1,043,033	-	-	-	-	1,043,033	649,115	-	-	
-	17,840	-	-	-	40,411	33,351	-	-	
-	119,449	-	-	-	119,449	104,300	-	-	
-	43,471	-	-	-	43,471	25,120	-	-	
-	26,241	-	-	-	26,241	25,298	-	-	
-	1,957,841	-	-	-	1,957,841	1,803,550	-	-	
5,835	-	-	-	-	5,835	5,837	-	-	
112,781	115,427	-	-	-	(165,490)	(322,509)	-	-	
<b>17,117,920</b>	<b>2,280,269</b>	<b>3,317,616</b>	<b>-</b>		<b>23,209,396</b>	<b>19,323,499</b>	<b>3,806,840</b>		
<b>\$ 23,609,961</b>	<b>\$ 3,032,537</b>	<b>\$ 3,317,616</b>	<b>\$ 13,362,296</b>		<b>\$ 48,461,331</b>	<b>\$ 44,859,844</b>	<b>\$ 8,853,457</b>		

**All Governmental Fund Types And Expendable Trust Funds**  
**Combined Statement Of Revenues, Expenditures And Changes In Fund Balances**  
Fiscal Year Ended June 30, 1996  
(Amounts in thousands)

	Primary		
	Governmental Fund Types		
	General	Special Revenue	Capital Projects
Revenues:			
Taxes.....	\$ 7,321,284	\$ 4,604,454	\$ -
Assessments.....	212,138	382,800	-
Federal grants and reimbursements.....	2,938,367	1,516,586	888,352
Departmental.....	558,668	3,761,579	1,350
Miscellaneous.....	95,400	154,881	1,475
Total revenues.....	<u>11,125,857</u>	<u>10,420,300</u>	<u>891,177</u>
Other financing sources:			
Proceeds of general obligation bonds.....	-	-	939,658
Proceeds of special obligation bonds.....	-	-	147,457
Proceeds of refunding bonds.....	-	-	-
Proceeds of capital leases.....	26,365	-	-
Operating transfers in.....	484,882	934,179	132,423
Other.....	-	-	-
Total other financing sources.....	<u>511,247</u>	<u>934,179</u>	<u>1,219,538</u>
Total revenues and other financing sources.....	<u>11,637,104</u>	<u>11,354,479</u>	<u>2,110,715</u>
Expenditures:			
Current:			
Legislature.....	48,922	-	-
Judiciary.....	57,828	346,652	-
Inspector General.....	1,577	-	-
Governor and Lieutenant Governor.....	4,731	-	-
Secretary of the Commonwealth.....	9,611	5,318	-
Treasurer and Receiver-General.....	87,645	2,488,659	-
Auditor of the Commonwealth.....	12,261	722	-
Attorney General.....	25,036	3,805	-
Ethics Commission.....	572	575	-
District Attorney.....	123	54,891	-
Office of Campaign and Political Finance.....	327	329	-
Disabled Persons Protection Commission.....	1,350	44	-
Board of Library Commissioners.....	-	4,461	-
Comptroller.....	6,623	14	-
Administration and finance.....	726,928	215,893	-
Environmental affairs.....	47,460	157,930	-
Communities and development.....	107,098	240,280	-
Health and human services.....	3,397,145	1,208,403	-
Transportation and construction.....	18	154,621	-
Education.....	148,003	809,701	-
Educational affairs.....	2,296	11,368	-
Higher education.....	76,304	3,720	-
Public safety.....	363,009	477,630	-
Economic affairs.....	17,828	190,374	-
Elder affairs.....	121,590	33,598	-
Consumer affairs.....	29,392	6,004	-
Labor.....	21,383	3,062	-
Medicaid.....	3,172,219	68,931	-
Pension.....	69,974	312,536	-
Direct local aid.....	36,000	3,315,232	-
Capital outlay:			
Local aid.....	-	-	115,742
Capital acquisition and construction.....	-	-	1,672,544
Debt service:			
Principal retirement.....	517,107	167,159	-
Interest and fiscal charges.....	307,805	199,710	-
Total expenditures.....	<u>9,418,165</u>	<u>10,481,622</u>	<u>1,788,286</u>
Other financing uses:			
Payments to refunded bond escrow agent.....	-	-	-
Operating transfers out.....	57,713	1,203,816	108,315
Transfers of appropriations.....	686,502	2,012	-
Transfers of bond proceeds.....	-	-	28,888
Transfers to component units.....	381,259	281,774	3,038
Total other financing uses.....	<u>1,125,474</u>	<u>1,487,602</u>	<u>140,241</u>
Total expenditures and other financing uses.....	<u>10,543,639</u>	<u>11,969,224</u>	<u>1,928,527</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses.....	1,093,465	(614,745)	182,188
Fund balance (deficits) at beginning of year.....	(25,253)	413,601	(404,585)
Equity transfer.....	-	-	-
Fund balance (deficits) at end of year.....	<u>\$ 1,068,212</u>	<u>\$ (201,144)</u>	<u>\$ (222,397)</u>

See notes to general purpose financial statements.

Government		
Fiduciary Fund Type	Totals (Memorandum Only)	
Expendable Trust	1996	1995
\$ 1,149,531	\$ 13,075,269	\$ 12,408,908
1,194	596,132	574,762
21,098	5,364,403	5,389,479
8,502	4,330,099	4,279,449
194,723	446,479	296,582
<u>1,375,048</u>	<u>23,812,382</u>	<u>22,949,180</u>
 -	939,658	809,862
-	147,457	-
-	-	513,622
-	26,365	17,869
2,934	1,554,418	1,539,259
36	36	50,565
<u>2,970</u>	<u>2,667,934</u>	<u>2,931,177</u>
 <u>1,378,018</u>	<u>26,480,316</u>	<u>25,880,357</u>
 -	48,922	46,550
139	404,619	355,965
-	1,577	1,643
-	4,731	4,747
86	15,015	13,997
926	2,577,230	2,355,878
237	13,220	11,658
1,596	30,437	23,183
-	1,147	1,090
3,173	58,187	53,955
-	656	945
-	1,394	1,330
-	4,461	4,753
-	6,637	6,136
1,827	944,648	878,113
6,552	211,942	179,302
754	348,132	342,908
18,761	4,624,309	4,828,863
1,066	155,705	112,157
1,406	959,110	866,309
-	13,664	6,432
44	80,068	74,943
3,593	844,232	735,338
808,246	1,016,448	1,030,888
50	155,238	161,502
6,459	41,855	41,103
44,247	68,692	56,821
-	3,241,150	3,252,220
-	382,510	414,305
-	3,351,232	3,073,239
-	115,742	94,301
-	1,672,544	1,697,781
-	684,266	695,341
-	507,515	538,363
<u>899,162</u>	<u>22,587,235</u>	<u>21,962,059</u>
 -	-	513,622
103,410	1,473,254	1,465,543
-	688,514	652,326
-	28,888	22,938
-	666,071	663,770
<u>103,410</u>	<u>2,856,727</u>	<u>3,318,199</u>
<u>1,002,572</u>	<u>25,443,962</u>	<u>25,280,258</u>
 375,446	1,036,354	600,099
780,368	764,131	148,316
-	-	15,716
<u>\$ 1,155,814</u>	<u>\$ 1,800,485</u>	<u>\$ 764,131</u>

**General And Budgeted Special Revenue Funds**  
**Combined Statement Of Revenues, Expenditures And Changes In Fund Balances -**  
**Statutory Basis - Budget And Actual**

Fiscal Year Ended June 30, 1996  
 (Amounts in thousands)

	General Fund			Variance Favorable (Unfavorable)
	Budget	Actual		
Revenues:				
Taxes.....	\$ 7,079,200	\$ 7,406,223	\$ 327,023	
Assessments.....	-	208,858	208,858	
Federal grants and reimbursements.....	3,013,700	3,031,921	18,221	
Departmental.....	779,358	723,967	(55,391)	
Miscellaneous.....	-	103,459	103,459	
Total revenues.....	10,872,258	11,474,428	602,170	
Other financing sources:				
Fringe benefit cost recovery.....	-	216,887	216,887	
Operating transfers in.....	275,300	457,918	182,618	
Stabilization transfer.....	-	177,405	177,405	
Transfer for tax reduction.....	-	231,722	231,722	
Total other financing sources.....	275,300	1,083,932	808,632	
Total revenues and other financing sources.....	11,147,558	12,558,360	1,410,802	
Expenditures:				
Legislature.....	68,878	48,726	20,152	
Judiciary.....	58,290	57,414	876	
Inspector General.....	1,577	1,567	10	
Governor and Lieutenant Governor.....	6,076	4,682	1,394	
Secretary of the Commonwealth.....	9,731	9,312	419	
Treasurer and Receiver-General.....	96,220	93,654	2,566	
Auditor of the Commonwealth.....	11,658	11,656	2	
Attorney General.....	20,893	20,760	133	
Ethics Commission.....	568	567	1	
District Attorney.....	148	123	25	
Office of Campaign and Political Finance.....	325	325	-	
Disabled Persons Protection Commission.....	1,359	1,355	4	
Board of Library Commissioners.....	-	-	-	
Comptroller.....	6,401	6,390	11	
Administration and finance.....	949,489	811,347	138,142	
Environmental affairs.....	54,787	45,180	9,607	
Communities and development.....	111,609	108,688	2,921	
Health and human services.....	3,595,787	3,409,837	185,950	
Transportation and construction.....	515,587	515,197	390	
Education.....	-	-	-	
Educational affairs.....	2,352	2,334	18	
Higher education.....	760,403	741,207	19,196	
Public safety.....	365,921	361,815	4,106	
Economic affairs.....	13,741	11,122	2,619	
Elder affairs.....	129,144	128,357	787	
Consumer affairs.....	30,508	29,338	1,170	
Labor.....	23,614	22,358	1,256	
Medicaid.....	3,347,563	3,347,019	544	
Pension.....	347,387	337,174	10,213	
Direct local aid.....	-	-	-	
Debt service:				
Principal retirement.....	525,361	517,107	8,254	
Interest and fiscal charges.....	327,979	307,805	20,174	
Total expenditures.....	11,383,356	10,952,416	430,940	
Other financing uses:				
Fringe benefit cost assessment.....	-	592	(592)	
Operating transfers out.....	160,061	162,159	(2,098)	
Stabilization transfer.....	-	106,443	(106,443)	
Transfer for tax reduction.....	150,000	231,722	(81,722)	
Total other financing uses.....	310,061	500,916	(190,855)	
Total expenditures and other financing uses.....	11,693,417	11,453,332	240,085	
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses.....	(545,859)	1,105,028	1,650,887	
Fund balances (deficits) at beginning of year.....	294,528	294,528	-	
Fund balances (deficits) at end of year.....	\$ (251,331)	\$ 1,399,556	\$ 1,650,887	

See notes to general purpose financial statements.

Budgeted Special Revenue Funds			Totals (Memorandum Only)		
Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
\$ 4,575,300	\$ 4,642,960	\$ 67,660	\$ 11,654,500	\$ 12,049,183	\$ 394,683
- 29,582	- 29,582	- 29,582	-	- 238,440	- 238,440
9,200 7,170	9,200 7,170	(2,030)	3,022,900	3,039,091	16,191
393,442 353,929	393,442 353,929	(39,513)	1,172,800	1,077,896	(94,904)
- 27,295	- 27,295	-	-	- 130,754	- 130,754
<b>4,977,942</b>	<b>5,060,936</b>	<b>82,994</b>	<b>15,850,200</b>	<b>16,535,364</b>	<b>685,164</b>
				216,887	216,887
676,600 752,021	676,600 752,021	75,421	951,900	1,209,939	258,039
-	-	-	-	177,405	177,405
-	-	-	-	231,722	231,722
<b>676,600</b>	<b>752,021</b>	<b>75,421</b>	<b>951,900</b>	<b>1,835,953</b>	<b>884,053</b>
<b>5,654,542</b>	<b>5,812,957</b>	<b>158,415</b>	<b>16,802,100</b>	<b>18,371,317</b>	<b>1,569,217</b>
30 2	30 2	28	68,908	48,728	20,180
351,971 344,407	351,971 344,407	7,564	410,261	401,821	8,440
-	-	-	1,577	1,567	10
-	-	-	6,076	4,682	1,394
5,315 4,947	5,315 4,947	368	15,046	14,259	787
10,586 9,715	10,586 9,715	871	106,806	103,369	3,437
722 722	722 722	-	12,380	12,378	2
1,524 1,522	1,524 1,522	2	22,417	22,282	135
572 572	572 572	-	1,140	1,139	1
54,596 54,305	54,596 54,305	291	54,744	54,428	316
327 327	327 327	-	652	652	-
-	-	-	1,359	1,355	4
2,385 2,383	2,385 2,383	2	2,385	2,383	2
-	-	-	6,401	6,390	11
163,512 147,369	163,512 147,369	16,143	1,113,001	958,716	154,285
151,875 139,434	151,875 139,434	12,441	206,662	184,614	22,048
29,004 28,286	29,004 28,286	718	140,613	136,974	3,639
135,599 116,683	135,599 116,683	18,916	3,731,386	3,526,520	204,866
329,589 302,237	329,589 302,237	27,352	845,176	817,434	27,742
154,479 149,033	154,479 149,033	5,446	154,479	149,033	5,446
3,100 3,011	3,100 3,011	89	5,452	5,345	107
2,791 2,695	2,791 2,695	96	763,194	743,902	19,292
458,162 438,822	458,162 438,822	19,340	824,083	800,637	23,446
27,983 24,550	27,983 24,550	3,433	41,724	35,672	6,052
8,756 8,696	8,756 8,696	60	137,900	137,053	847
5,101 4,536	5,101 4,536	565	35,609	33,874	1,735
-	-	-	23,614	22,358	1,256
69,000 68,930	69,000 68,930	70	3,416,563	3,415,949	614
685,488 667,377	685,488 667,377	18,111	1,032,875	1,004,551	28,324
3,250,761 3,246,232	3,250,761 3,246,232	4,529	3,250,761	3,246,232	4,529
163,996 159,580	163,996 159,580	4,416	689,357	676,687	12,670
203,943 199,072	203,943 199,072	4,871	531,922	506,877	25,045
<b>6,271,167</b>	<b>6,125,445</b>	<b>145,722</b>	<b>17,654,523</b>	<b>17,077,861</b>	<b>576,662</b>
- 65,589	- 65,589	(65,589)	-	66,181	(66,181)
185,261 209,598	185,261 209,598	(24,337)	345,322	371,757	(26,435)
- 70,962	- 70,962	(70,962)	-	177,405	(177,405)
-	-	-	150,000	231,722	(81,722)
<b>185,261</b>	<b>346,149</b>	<b>(160,888)</b>	<b>495,322</b>	<b>847,065</b>	<b>(351,743)</b>
<b>6,456,428</b>	<b>6,471,594</b>	<b>(15,166)</b>	<b>18,149,845</b>	<b>17,924,926</b>	<b>224,919</b>
(801,886) (658,637)	(801,886) (658,637)	143,249	(1,347,745)	446,391	1,794,136
431,494 431,494	431,494 431,494	-	726,022	726,022	-
<b>\$ (370,392)</b>	<b>\$ (227,143)</b>	<b>\$ 143,249</b>	<b>\$ (621,723)</b>	<b>\$ 1,172,413</b>	<b>\$ 1,794,136</b>

**Internal Service Funds, Nonexpendable Trust Funds  
And Discretely Presented Component Units**  
**Combined Statement Of Revenues, Expenses And Changes In Fund Equity**

Fiscal Year Ended June 30, 1996  
(Amounts in thousands)

	Primary Government				
	Proprietary Fund Types	Fiduciary Fund Types	Totals (Memorandum Only)		Component Units
	Internal Service Funds	Nonexpendable Trust Funds	1996	1995	
Operating revenues:					
Charges for services.....	\$ -	\$ -	\$ -	\$ -	\$ 445,816
Donations.....	- -	- -	- -	- -	814
Premiums.....	702,461	- -	702,461	756,841	20,172
Total operating revenues.....	702,461	- -	702,461	756,841	466,802
Operating expenses:					
Claims and judgments expense.....	633,797	- -	633,797	628,909	- -
Cost of services and administration.....	- -	2 2	2 2	3 3	913,869
Depreciation.....	- -	- -	- -	- -	205,818
Total operating expenses.....	633,797	2 2	633,799	628,912	1,119,687
Operating income (loss).....	68,664	(2) 68,662	68,662	127,929	(652,885)
Nonoperating revenues (expenses):					
Operating grants.....	- -	- -	- -	- -	69,595
Interest income.....	3,675	- -	3,675	5,985	57,507
Interest expense.....	- -	- -	- -	- -	(192,971)
Other income.....	- -	- -	- -	- -	18,043
Other expenses.....	- -	- -	- -	- -	(45,562)
Nonoperating revenues (expenses), net.....	3,675	- -	3,675	5,985	(93,388)
Income (loss) before operating transfers.....	72,339	(2) 72,337	72,337	133,914	(746,273)
Transfers in (out):					
Transfers in from primary government.....	- -	- -	- -	- -	666,071
Total transfers.....	- -	- -	- -	- -	666,071
Net income (loss).....	72,339	(2) 72,337	72,337	133,914	(80,202)
Add: Depreciation of fixed assets acquired from contributed capital.....	- -	- -	- -	- -	106,769
Increase (decrease) in retained earnings/fund balances.....	72,339	(2) 72,337	72,337	133,914	26,567
Retained earnings/fund balances at beginning of year (as restated)...	(223,419)	5,837	(217,582)	5,840	275,074
Equity transfer.....	- -	- -	- -	- -	(15,716)
Balance from general long-term obligations account group.....	- -	- -	- -	- -	(341,620)
Retained earnings/fund balances at end of year.....	\$ (151,080)	\$ 5,835	\$ (145,245)	\$ (217,582)	\$ 301,641
Contributed capital at beginning of year.....					\$ 3,250,396
Add: Capital contributions.....					361,572
Less: Depreciation of fixed assets acquired from contributed capital.....					(106,769)
Contributed capital at end of year.....					<u>\$ 3,505,199</u>

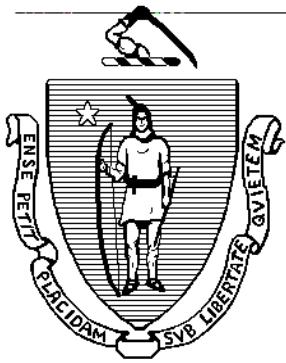
See notes to general purpose financial statements.

**Internal Service Funds, Nonexpendable Trust Funds And Discretely Presented Component Units**  
**Combined Statement Of Cash Flows**

Fiscal Year Ended June 30, 1996  
 (Amounts in thousands)

	Primary Government					Component Units	
	Proprietary Fund Type		Fiduciary Fund Type		Totals (Memorandum Only)		
	Internal Service Fund	Nonexpendable Trust Funds	1996	1995			
<b>Cash flows from operating activities:</b>							
Operating income (loss).....	\$ 68,664	\$ (2)	\$ 68,662	127,929	\$ (652,885)		
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:							
Depreciation.....	-	-	-	-	-	205,818	
Gain on sale of equipment.....	-	-	-	-	-	(2,194)	
Other nonoperating revenues.....	-	-	-	-	-	17,837	
Other nonoperating expenses.....	-	-	-	-	-	(49,112)	
Change in assets and liabilities:							
Assets held in trust.....	(169)	-	(169)	(4,469)	-	-	
Due from federal government.....	-	-	-	-	34,897		
Loans.....	-	-	-	-	-	(127,728)	
Other receivables.....	-	-	-	-	-	(20,728)	
Due from cities and towns.....	-	-	-	-	-	(554)	
Due from primary government.....	-	-	-	-	-	64,571	
Due from other funds.....	(4,888)	-	(4,888)	3,343	(3,598)		
Inventory.....	-	-	-	-	3,892		
Restricted and other assets.....	-	-	-	-	-	(13,626)	
Accounts payable.....	-	-	-	-	11,198		
Accrued payroll.....	-	-	-	-	(14,964)		
Compensated absences.....	-	-	-	-	1,309		
Deferred revenue.....	-	-	-	-	30,178		
Claims and judgments, net.....	(41,744)	-	(41,744)	29,600	355		
Other accrued liabilities.....	-	-	-	-	(35,792)		
Due to cities and towns.....	-	-	-	-	(736)		
Due to federal government.....	-	-	-	-	23		
Total adjustments.....	(46,801)	-	(46,801)	28,474	101,046		
Net cash provided by (used for) operating activities	21,863	(2)	21,861	156,403	(551,839)		
<b>Cash flows from noncapital financing activities:</b>							
Operating grants.....	-	-	-	-	-	69,595	
Operating transfers.....	-	-	-	-	-	666,071	
Net cash provided by (used for) noncapital financing activities.....	-	-	-	-	-	735,666	
<b>Cash flows from capital and related financing activities:</b>							
Acquisition and construction of capital assets.....	-	-	-	-	-	(717,104)	
Proceeds from the issuance of bonds and notes.....	-	-	-	-	-	1,009,957	
Interest on bonds and notes.....	-	-	-	-	-	(192,971)	
Capital contributions.....	-	-	-	-	-	361,572	
Principal payments on bonds and notes.....	-	-	-	-	-	(654,664)	
Proceeds from sale of equipment.....	-	-	-	-	-	76,115	
Net cash provided by (used for) capital and related financing activities.....	-	-	-	-	-	(117,095)	
<b>Cash flows from investing activities:</b>							
Purchases of investments.....	-	-	-	-	-	(3,453,482)	
Purchases of restricted investments.....	(25,538)	-	(25,538)	(162,391)	-	-	
Sales and maturities of investments.....	-	-	-	-	-	3,512,888	
Interest income.....	3,675	-	3,675	5,985	57,507		
Net cash provided by (used for) investing activities.....	(21,863)	-	(21,863)	(156,406)	116,913		
Net increase (decrease) in cash and cash equivalents.....	-	(2)	(2)	(3)	183,645		
Cash and cash equivalents at beginning of year (as restated).....	-	5,837	5,837	5,840	364,539		
Cash and cash equivalents at end of year.....	\$ -	\$ 5,835	\$ 5,835	\$ 5,837	\$ 548,184		
<b>Reconciliation to Combined Balance Sheet:</b>							
Cash and cash equivalents at end of year.....	\$ -	\$ 5,835	\$ 5,835	\$ 5,837	\$ 548,184		
Cash and cash equivalents at end of year, Pension Trust, Expendable Trust and Agency.....	-	1,768,321	1,768,321	1,627,541	-		
Cash and cash equivalents per the Combined Balance Sheet.....	\$ -	\$ 1,774,156	\$ 1,774,156	\$ 1,633,378	\$ 548,184		

See notes to general purpose financial statements.



*This page intentionally left blank*

## Pension Trust Funds

### Combining Statement Of Changes in Net Assets Available For Pension Benefits

Fiscal Year Ended June 30, 1996

(Amounts In Thousands)

	State Employees' PERS	Teachers' PERS	Totals (Memorandum Only)	
			1996	1995
Additions:				
Commonwealth contributions.....	\$ 445,138	\$ 405,703	\$ 850,841	\$ 784,740
Employee contributions.....	<u>229,199</u>	<u>191,881</u>	<u>421,080</u>	<u>401,492</u>
Total contributions.....	<u>674,337</u>	<u>597,584</u>	<u>1,271,921</u>	<u>1,186,232</u>
Net investment income:				
Net appreciation in fair value of investments.....	891,081	895,859	1,786,940	1,302,664
Interest.....	<u>178,044</u>	<u>185,601</u>	<u>363,645</u>	<u>301,191</u>
Dividends.....	<u>61,311</u>	<u>64,405</u>	<u>125,716</u>	<u>116,531</u>
Real estate operating income, net.....	<u>19,662</u>	<u>18,267</u>	<u>37,929</u>	<u>32,376</u>
Alternative investments.....	<u>7,809</u>	<u>7,134</u>	<u>14,943</u>	<u>5,878</u>
Other.....	<u>1,472</u>	<u>1,443</u>	<u>2,915</u>	<u>2,530</u>
Total investment income.....	<u>1,159,379</u>	<u>1,172,709</u>	<u>2,332,088</u>	<u>1,761,170</u>
Less: investment expense.....	<u>21,788</u>	<u>21,618</u>	<u>43,406</u>	<u>45,326</u>
Net investment income.....	<u>1,137,591</u>	<u>1,151,091</u>	<u>2,288,682</u>	<u>1,715,844</u>
Total additions.....	<u>1,811,928</u>	<u>1,748,675</u>	<u>3,560,603</u>	<u>2,902,076</u>
Deductions:				
Administration.....	<u>1,666</u>	<u>2,007</u>	<u>3,673</u>	<u>2,824</u>
Retirement benefits and refunds.....	<u>588,099</u>	<u>495,798</u>	<u>1,083,897</u>	<u>979,170</u>
Total deductions.....	<u>589,765</u>	<u>497,805</u>	<u>1,087,570</u>	<u>981,994</u>
Net increase.....	<u>1,222,163</u>	<u>1,250,870</u>	<u>2,473,033</u>	<u>1,920,082</u>
Net assets available for pension benefits at beginning of year (fund balance reserved for employee's pension benefits).....	<u>6,642,804</u>	<u>6,840,434</u>	<u>13,483,238</u>	<u>11,563,156</u>
Net assets available for pension benefits at end of year (fund balance reserved for employee's pension benefits).....	<u>\$ 7,864,967</u>	<u>\$ 8,091,304</u>	<u>\$ 15,956,271</u>	<u>\$ 13,483,238</u>

See notes to general purpose financial statements.

**University And College Fund Type**  
**Combined Statement Of Changes In Fund Balances**

Fiscal Year Ended June 30, 1996  
 (Amounts In Thousands)

	Current Funds		
	Unrestricted	Restricted	Loan Fund
<b>Revenues and other additions:</b>			
Unrestricted current funds revenues.....	\$ 1,235,364	\$ -	\$ -
Federal appropriations.....	-	7,284	294
Federal grants and contracts.....	-	203,916	787
State grants and contracts.....	-	23,144	77
Local grants and contracts.....	-	6,985	-
Private gifts, grants and contracts.....	-	59,366	22
Investment income.....	-	507	15
Endowment income.....	-	2	-
Net realized gain on investments.....	-	-	21
Interest on loans receivable.....	-	-	993
Reimbursed loan cancellations.....	-	-	259
Other income.....	-	1,285	181
Expended for plant facilities.....	-	-	-
Retirement of indebtedness.....	-	-	-
Other additions.....	-	559	25
Total revenue and other additions.....	1,235,364	303,048	2,674
<b>Expenditures and other deductions:</b>			
Educational and general expenditures.....	1,186,351	311,796	-
Auxiliary enterprises expenditures.....	164,274	-	-
Indirect costs recovered.....	-	34,920	-
Clinical services costs.....	349,896	-	-
Refunded to grantors and donors.....	-	359	45
Loan cancellations and write-offs.....	-	-	1,186
Administrative and collection costs.....	-	-	1,190
Retirement of indebtedness.....	-	-	-
Interest on indebtedness.....	-	-	-
Expended for plant facilities.....	-	-	-
Depreciation and amortization.....	-	-	-
Disposal of plant facilities.....	-	-	-
Other deductions.....	-	-	-
Total expenditures and other deductions.....	1,700,521	347,075	2,421
<b>Mandatory transfers:</b>			
Principal and interest.....	(29,324)	-	-
Renewals and replacements.....	-	-	-
Student loan fund matching.....	(1,137)	1,001	136
Other mandatory transfers.....	(81,164)	-	-
<b>Nonmandatory transfers:</b>			
Transfers of appropriation.....	661,717	26,797	-
Transfers of bond proceeds.....	-	28,888	-
Unexpended plant funds.....	(39,647)	-	-
Renewals and replacements.....	(46,544)	(597)	-
Other nonmandatory transfers.....	(1,218)	271	57
Total transfers.....	462,683	56,360	193
Net increase (decrease) for the year.....	(2,474)	12,333	446
Fund balances at beginning of year.....	81,874	31,972	50,846
Fund balances at end of year.....	\$ 79,400	\$ 44,305	\$ 51,292

See notes to general purpose financial statements.

Endowment and Similar Funds	Plant Funds	Totals (Memorandum Only)	
		1996	1995
\$ -	\$ -	\$ 1,235,364	\$ 1,170,505
-	-	7,578	6,749
-	10,516	215,219	188,483
-	54,277	77,498	29,099
-	-	6,985	3,941
220	2,815	62,423	55,800
175	4,595	5,292	3,226
181	-	183	725
2,746	-	2,767	614
-	-	993	885
-	-	259	13
-	191	1,657	1,937
-	105,848	105,848	49,860
-	13,624	13,624	13,954
1,415	2,450	4,449	10,946
<u>4,737</u>	<u>194,316</u>	<u>1,740,139</u>	<u>1,536,737</u>
 - - - - - - - 337 - - - - - - - <u>337</u>	 - - - - 4 - 2,719 73,236 13,624 19,313 13,146 14,158 738 <u>136,938</u>	 1,498,147 164,274 34,920 349,896 408 1,186 4,246 73,236 13,624 19,313 13,146 14,158 738 <u>2,187,292</u>	 1,425,219 165,251 32,372 336,518 227 300 4,149 18,547 17,802 24,742 12,198 23,443 21,269 <u>2,082,037</u>
 - - - -  - - - -  (130)  (130) 4,270 55,609 <u>\$ 59,879</u>	 29,324 - - -  39,647 47,141 1,020  117,132 174,510 1,870,883 <u>\$ 2,045,393</u>	 - - -  688,514 28,888 - -  636,238 189,085 2,091,184 <u>\$ 2,280,269</u>	 - - -  652,326 22,938 - -  601,548 56,248 2,034,936 <u>\$ 2,091,184</u>

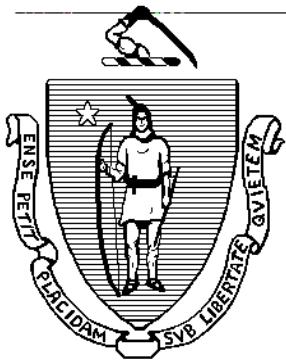
**University And College Fund Type**  
**Combined Statement Of Current Funds Revenues, Expenditures, And Other Changes**

Fiscal Year Ended June 30, 1996

(Amounts In Thousands)

	Current Funds		Totals (Memorandum Only)	
	Unrestricted	Restricted	1996	1995
<b>Revenues and other additions:</b>				
Tuition and fees.....	\$ 546,291	\$ -	\$ 546,291	\$ 530,240
Federal appropriations.....	-	6,478	6,478	6,521
Federal grants and contracts.....	254	174,471	174,725	164,906
State grants and contracts.....	456	21,836	22,292	11,624
Local grants and contracts.....	163	9,787	9,950	3,440
Private gifts, grants and contracts.....	3,206	42,413	45,619	47,459
Endowment income.....	463	498	961	1,232
Sales and service, educational.....	11,812	-	11,812	12,261
Sales and service, auxiliary enterprises.....	201,302	-	201,302	194,495
Sales and service, clinical services.....	403,256	-	403,256	357,994
Recovery of indirect costs.....	34,920	-	34,920	32,372
Other investment income.....	18,535	8	18,543	21,673
Other.....	14,706	621	15,327	18,514
Total current funds revenues.....	<u>1,235,364</u>	<u>256,112</u>	<u>1,491,476</u>	<u>1,402,731</u>
<b>Expenditures:</b>				
Instruction.....	522,066	33,032	555,098	536,998
Research.....	33,301	99,263	132,564	129,594
Public service.....	15,143	34,288	49,431	47,491
Academic support.....	119,800	21,800	141,600	150,533
Student services.....	121,561	6,741	128,302	112,830
Institutional support.....	204,897	1,026	205,923	193,253
Operation and maintenance of plant.....	124,811	3,720	128,531	133,259
Scholarships and fellowships.....	44,772	111,926	156,698	121,261
Auxiliary enterprises.....	164,274	-	164,274	165,251
Clinical services costs.....	349,896	-	349,896	336,518
Total current funds expenditures.....	<u>1,700,521</u>	<u>311,796</u>	<u>2,012,317</u>	<u>1,926,988</u>
<b>Transfers and other changes:</b>				
Mandatory transfers:				
Principal and interest.....	(29,324)	-	(29,324)	(27,108)
Renewals and replacements.....	-	-	-	(439)
Student loan fund matching.....	(1,137)	1,001	(136)	(136)
Other.....	(81,164)	-	(81,164)	(73,716)
Transfers of appropriation.....	661,717	26,797	688,514	652,326
Transfers of bond proceeds.....	-	28,888	28,888	22,938
Unexpended plant funds.....	(39,647)	-	(39,647)	(6,538)
Renewals and replacements.....	(46,544)	(597)	(47,141)	(14,011)
Other nonmandatory transfers.....	(1,218)	271	(947)	(2,994)
Refunds to grantors and donors.....	-	(359)	(359)	(227)
Excess (deficiency) of restricted receipts over transfers to revenue.....	-	12,016	12,016	(1,134)
Total transfers and other changes.....	<u>462,683</u>	<u>68,017</u>	<u>530,700</u>	<u>548,961</u>
Total increase (decrease) in fund balances.....	<u>\$ (2,474)</u>	<u>\$ 12,333</u>	<u>\$ 9,859</u>	<u>\$ 24,704</u>

See notes to general purpose financial statements.



*This page intentionally left blank*

**Discretely Presented Component Units**  
**Combining Balance Sheet**

June 30, 1996  
 (Amounts in thousands)

	Massachusetts Bay Transportation Authority	Massachusetts Turnpike Authority (as restated)	Regional Transit Authorities
<b>ASSETS</b>			
Cash and short-term investments.....	\$ 259,641	\$ 13,781	\$ 12,412
Investments.....	-	-	60
Restricted investments.....	25,267	242,513	-
Investments of deferred compensation plan.....	-	12,683	-
Assets held in trust.....	-	-	-
Receivables, net of allowance for uncollectibles:			
Due from federal government.....	-	-	7,970
Loans.....	-	-	-
Other receivables.....	38,240	4,419	8,005
Due from cities and towns.....	-	-	-
Due from primary government.....	218,133	-	57,419
Inventory.....	40,389	1,295	283
Fixed assets.....	5,297,617	649,579	136,542
Other assets.....	111,623	8,115	2,653
Total assets.....	\$ 5,990,910	\$ 932,385	\$ 225,344
<b>LIABILITIES AND FUND EQUITY</b>			
Liabilities:			
Accounts payable.....	\$ 42,972	\$ 15,763	\$ 9,543
Accrued payroll.....	24,714	3,756	48
Compensated absences.....	-	7,698	556
Due to cities and towns.....	-	-	115
Due to primary government.....	-	100,000	-
Due to federal government.....	-	-	-
Deferred revenue.....	46,423	6,407	336
Deferred compensation benefits payable.....	-	12,683	-
Agency liabilities.....	-	-	-
Claims and judgments.....	-	-	2,570
Other accrued liabilities.....	153,306	17,290	3,423
Capital leases.....	176,095	-	5,635
Bonds, notes payable and certificates of participation.....	3,049,691	410,885	77,716
Total liabilities.....	3,493,201	574,482	99,942
Fund equity:			
Contributed capital.....	2,701,579	-	123,096
Retained earnings (deficits):			
Reserved for investment programs.....	-	255,196	-
Reserved for bond retirement.....	-	-	-
Unreserved.....	(203,870)	102,707	2,306
Total fund equity.....	2,497,709	357,903	125,402
Total liabilities and fund equity.....	\$ 5,990,910	\$ 932,385	\$ 225,344

See notes to general purpose financial statements.

<b>Massachusetts Water Pollution Abatement Trust</b>	<b>Massachusetts Convention Center Authority</b>	<b>Economic Development Authorities</b>	<b>Totals (Memorandum Only)</b>
			<b>1996</b>
\$ 199,519	\$ 11,091	\$ 51,740	\$ 548,184
233,045	-	50,940	284,045
-	8,782	10,997	287,559
-	-	589	13,272
-	728	4,423	5,151
3,055	-	22,451	33,476
663,745	-	142,377	806,122
12,753	729	8,454	72,600
-	-	976	976
611	17,115	2,644	295,922
-	-	62	42,029
124	210,931	40,010	6,334,803
78	1,822	5,027	129,318
<b>\$ 1,112,930</b>	<b>\$ 251,198</b>	<b>\$ 340,690</b>	<b>\$ 8,853,457</b>
\$ -	\$ 7,049	\$ 12,339	\$ 87,666
-	-	528	29,046
-	-	809	9,063
-	-	-	115
-	-	-	100,000
-	-	23	23
-	476	25,855	79,497
-	-	534	13,217
-	728	4,423	5,151
-	-	-	2,570
48,009	19,697	8,448	250,173
-	-	152	181,882
<b>512,000</b>	<b>154,976</b>	<b>82,946</b>	<b>4,288,214</b>
<b>560,009</b>	<b>182,926</b>	<b>136,057</b>	<b>5,046,617</b>
523,121	68,522	88,881	3,505,199
-	-	49,122	304,318
-	-	113	113
<b>29,800</b>	<b>(250)</b>	<b>66,517</b>	<b>(2,790)</b>
<b>552,921</b>	<b>68,272</b>	<b>204,633</b>	<b>3,806,840</b>
<b>\$ 1,112,930</b>	<b>\$ 251,198</b>	<b>\$ 340,690</b>	<b>\$ 8,853,457</b>

**Discretely Presented Component Units**  
**Combining Statement Of Revenues, Expenses, And Changes In**  
**Retained Earnings And Changes In Contributed Capital**

Fiscal Year Ended June 30, 1996  
 (Amounts in thousands)

	Massachusetts Bay Transportation Authority	Massachusetts Turnpike Authority (as restated)	Regional Transit Authorities
Operating revenues:			
Charges for services.....	\$ 218,119	\$ 153,426	\$ 47,256
Donations.....	-	-	-
Other.....	-	12,602	327
Total operating revenues.....	<u>218,119</u>	<u>166,028</u>	<u>47,583</u>
Operating expenses:			
Cost of services and administration.....	554,328	141,600	110,861
Depreciation.....	<u>158,724</u>	<u>21,982</u>	<u>15,676</u>
Total operating expenses.....	<u>713,052</u>	<u>163,582</u>	<u>126,537</u>
Operating income (loss).....	<u>(494,933)</u>	<u>2,446</u>	<u>(78,954)</u>
Nonoperating revenues (expenses):			
Operating grants.....	12,804	-	9,098
Interest income.....	1,038	10,735	1,376
Interest expense.....	(146,704)	(1,212)	(3,742)
Other income.....	13,334	-	1,298
Other expenses.....	(26,706)	(440)	(644)
Nonoperating revenues (expenses), net.....	<u>(146,234)</u>	<u>9,083</u>	<u>7,386</u>
Income (loss) before transfers .....	<u>(641,167)</u>	<u>11,529</u>	<u>(71,568)</u>
Transfers:			
Transfers in from primary government.....	<u>564,410</u>	-	56,604
Total transfers.....	<u>564,410</u>	-	56,604
Net income (loss).....	<u>(76,757)</u>	<u>11,529</u>	<u>(14,964)</u>
Add: Depreciation of fixed assets acquired from contributed capital.....	<u>84,921</u>	-	15,168
Increase (decrease) in retained earnings.....	8,164	11,529	204
Retained earnings (deficits) at beginning of year.....	(212,034)	346,374	2,102
Retained earnings (deficits) at end of year.....	<u>\$ (203,870)</u>	<u>\$ 357,903</u>	<u>\$ 2,306</u>
Contributed capital at beginning of year.....	<u>\$ 2,552,988</u>	\$ -	\$ 93,916
Add: Capital contributions, net.....	233,512	-	44,348
Less: Depreciation of fixed assets acquired from contributed capital.....	(84,921)	-	(15,168)
Contributed capital at end of year.....	<u>\$ 2,701,579</u>	<u>\$ -</u>	<u>\$ 123,096</u>

See notes to general purpose financial statements.

			Totals (Memorandum Only)
Massachusetts Water Pollution Abatement Trust	Massachusetts Convention Center Authority	Economic Development Authorities	1996
\$ -	\$ 10,552	\$ 16,463	\$ 445,816
-	-	814	814
-	-	7,243	20,172
-	<u>10,552</u>	<u>24,520</u>	<u>466,802</u>
5,774	16,108	85,198	913,869
231	6,915	2,290	205,818
6,005	23,023	87,488	1,119,687
(6,005)	(12,471)	(62,968)	(652,885)
2,153	-	45,540	69,595
37,430	262	6,666	57,507
(25,406)	(10,222)	(5,685)	(192,971)
971	142	2,298	18,043
-	(202)	(17,570)	(45,562)
15,148	(10,020)	31,249	(93,388)
9,143	(22,491)	(31,719)	(746,273)
2,990	18,063	24,004	666,071
2,990	18,063	24,004	666,071
12,133	(4,428)	(7,715)	(80,202)
231	6,449	-	106,769
12,364	2,021	(7,715)	26,567
17,436	(2,271)	123,467	275,074
\$ 29,800	<u>\$ (250)</u>	<u>\$ 115,752</u>	<u>\$ 301,641</u>
\$ 455,777	\$ 56,445	\$ 91,270	\$ 3,250,396
67,575	18,526	(2,389)	361,572
(231)	(6,449)	-	(106,769)
<u>\$ 523,121</u>	<u>\$ 68,522</u>	<u>\$ 88,881</u>	<u>\$ 3,505,199</u>

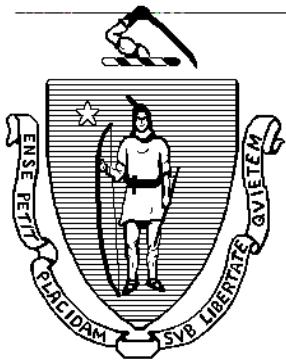
**Discretely Presented Component Units**  
**Combining Statement Of Cash Flows**

Fiscal Year Ended June 30, 1996  
 (Amounts in thousands)

	Massachusetts Bay Transportation Authority	Massachusetts Turnpike Authority (as restated)	Regional Transit Authorities
<b>Cash flows from operating activities:</b>			
Operating income (loss).....	\$ (494,933)	\$ 2,446	\$ (78,954)
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:			
Depreciation.....	158,724	21,982	15,676
Gain on sale of equipment.....	(2,420)	-	226
Other nonoperating revenues.....	13,334	-	1,092
Other nonoperating expenses.....	(26,706)	-	(873)
Change in assets and liabilities:			
Due from federal government.....	6,600	-	(3,655)
Loans.....	-	-	-
Other receivables.....	(8,649)	(294)	(2,991)
Due from cities and towns.....	-	-	-
Due from primary government.....	71,018	-	(4,124)
Due from other funds.....	-	-	-
Inventory.....	(1,804)	(145)	(81)
Restricted and other assets.....	(20,882)	(3,067)	11,559
Accounts payable.....	2,856	6,025	3,740
Accrued payroll.....	(16,184)	1,062	(77)
Compensated absences.....	-	1,118	29
Deferred revenue.....	3,729	4,719	(10)
Claims and judgments, net.....	-	-	355
Other accrued liabilities.....	6,874	(1,319)	98
Due to cities and towns.....	-	-	115
Due to federal government.....	-	-	-
Total adjustments.....	186,490	30,081	21,079
Net cash provided by (used for) operating activities.....	<u>(308,443)</u>	<u>32,527</u>	<u>(57,875)</u>
<b>Cash flows from noncapital financing activities:</b>			
Operating grants.....	12,804	-	9,098
Transfers in from primary government.....	<u>564,410</u>	<u>-</u>	<u>56,604</u>
Net cash provided by noncapital financing activities.....	<u>577,214</u>	<u>-</u>	<u>65,702</u>
<b>Cash flows from capital and related financing activities:</b>			
Acquisition and construction of capital assets.....	(522,833)	(119,033)	(52,002)
Proceeds from the issuance of bonds and notes.....	802,284	-	63,856
Interest on bonds and notes.....	(146,704)	(1,212)	(3,742)
Capital contributions.....	233,512	-	44,348
Principal payments on bonds and notes.....	(528,129)	(8,901)	(63,573)
Proceeds from sale of equipment.....	76,019	-	33
Net cash provided by (used for) capital and related financing activities.....	<u>(85,851)</u>	<u>(129,146)</u>	<u>(11,080)</u>
<b>Cash flows from investing activities:</b>			
Purchases of investments.....	(2,059,406)	(1,191,706)	-
Sales and maturities of investments.....	<u>2,051,063</u>	<u>1,279,794</u>	<u>5</u>
Interest income.....	1,038	10,735	1,376
Net cash provided by (used for) investing activities.....	<u>(7,305)</u>	<u>98,823</u>	<u>1,381</u>
Net increase (decrease) in cash and cash equivalents.....	175,615	2,204	(1,872)
Cash and cash equivalents at beginning of year.....	84,026	11,577	14,284
Cash and cash equivalents at end of year.....	<u>\$ 259,641</u>	<u>\$ 13,781</u>	<u>\$ 12,412</u>

See notes to general purpose financial statements.

Massachusetts Water Pollution Abatement Trust		Massachusetts Convention Center Authority		Economic Development Authorities		Totals <u>(Memorandum Only)</u>	
\$		\$		\$		\$	
\$	(6,005)	\$	(12,471)	\$	(62,968)	\$	(652,885)
231		6,915		2,290		205,818	
-		(78)		78		(2,194)	
971		142		2,298		17,837	
-		(202)		(21,331)		(49,112)	
30,232		-		1,720		34,897	
(89,885)		-		(37,843)		(127,728)	
(2,911)		(312)		(5,571)		(20,728)	
-		-		(554)		(554)	
-		-		(2,323)		64,571	
-		(3,598)		-		(3,598)	
5,915		-		7		3,892	
170		443		(1,849)		(13,626)	
-		(2,441)		1,018		11,198	
-		-		235		(14,964)	
-		-		162		1,309	
-		179		21,561		30,178	
-		-		-		355	
(47,939)		3,792		2,702		(35,792)	
-		-		(851)		(736)	
-		-		23		23	
<u>(103,216)</u>		<u>4,840</u>		<u>(38,228)</u>		<u>101,046</u>	
<u>(109,221)</u>		<u>(7,631)</u>		<u>(101,196)</u>		<u>(551,839)</u>	
2,153		-		45,540		69,595	
2,990		18,063		24,004		666,071	
<u>5,143</u>		<u>18,063</u>		<u>69,544</u>		<u>735,666</u>	
(3)		(2,097)		(21,136)		(717,104)	
84,585		-		59,232		1,009,957	
(25,406)		(10,222)		(5,685)		(192,971)	
67,575		18,526		(2,389)		361,572	
(16,920)		(18,066)		(19,075)		(654,664)	
-		-		63		76,115	
<u>109,831</u>		<u>(11,859)</u>		<u>11,010</u>		<u>(117,095)</u>	
(123,434)		(76,828)		(2,108)		(3,453,482)	
83,317		80,556		18,153		3,512,888	
37,430		262		6,666		57,507	
<u>(2,687)</u>		<u>3,990</u>		<u>22,711</u>		<u>116,913</u>	
3,066		2,563		2,069		183,645	
<u>196,453</u>		<u>8,528</u>		<u>49,671</u>		<u>364,539</u>	
<u>\$ 199,519</u>		<u>\$ 11,091</u>		<u>\$ 51,740</u>		<u>\$ 548,184</u>	



*This page intentionally left blank*